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**SEMICONDUCTOR FOREIGN MARKET SHARE IN JAPAN REACHES 29.4%
IN THE FOURTH QUARTER**

Foreign share of Japan's semiconductor market jumped to 29.4% in the fourth quarter of 1996, the second-highest foreign share ever recorded. Foreign share for 1996 averaged 27.5%, an increase of more than two percentage points over the 25.4% average for 1995.

"I am pleased that foreign suppliers maintained their strong position in the Japanese semiconductor market in the fourth quarter of 1996," said Ambassador Charlene Barshefsky. "Last year was the most successful thus far for foreign semiconductor suppliers in the Japanese market. It demonstrates the market-opening gains that can be sustained when industries and governments work together toward a common goal.

"Progress in market access for foreign semiconductor suppliers in Japan will continue to be important for this Administration and is underscored by our 1996 U.S.-Japan Semiconductor Agreement," Barshefsky continued. "Cooperative activities are the key to achieving improved market access. We will continue to watch the situation closely to ensure that terms of the 1996 agreement continue to be fulfilled."

On August 2, 1996, the United States and Japan reached a new agreement on semiconductors which is designed to ensure continued progress on market access and industry cooperation and to solidify the market-opening gains of recent years. The heart of the new accord is an industry-to-industry agreement coupled with government oversight. Consultations at the government level to include representatives of the United States, Japan, the European Union, and Korea will occur next week in Honolulu, Hawaii, May 6 to 7.

The 1996 accord provides a forum to expand international semiconductor industry cooperation into such areas as standards, intellectual property rights, trade liberalization,

environmental and safety issues and market development. The agreement also provides for industries to collect a broad range of market data, including foreign market share, and to prepare a quarterly report that will be presented to governments. Governments will then review these activities and reports and monitor the situation in the Japanese and other major markets. Industry representatives are still working out the technical details of this program.

During the five-year period of the 1991 Arrangement second quarter , foreign market share increased from 14.3 percent in the third quarter of 1991 to an average 27.3 percent over the last full year of the agreement (third quarter 1995 through second quarter 1996).

Foreign Market Share

Q3 1991	14.3%
Q4 1991	14.4%
Q1 1992	14.6%
Q2 1992	16.0%
Q3 1992	15.9%
Q4 1992	20.2%
Q1 1993	19.6%
Q2 1993	19.2%
Q3 1993	18.1%
Q4 1993	20.7%
Q1 1994	20.7%
Q2 1994	21.9%
Q3 1994	23.2%
Q4 1994	23.7%
Q1 1995	22.8%
Q2 1995	22.9%
Q3 1995	26.2%
Q4 1995	29.6%
Q1 1996	26.9%
Q2 1996	26.4%
Q3 1996 ¹	27.1%
Q4 1996 ¹	29.4%

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¹Calculated by U.S. Government only. Earlier figures calculated by U.S. Government and Government of Japan in accordance with the 1991 U.S.-Japan Semiconductor Arrangement.